

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street
Sacramento, California 95814

Main website: www.energy.ca.gov



In the matter of:) Docket No. 11-RPS-01
)
Developing Regulations and Guidelines) Notice of Business Meeting
For the 33 Percent Renewables Portfolio) RE: RPS Implementation
Standard)

Notice of Proposed Process to Allow Creation of Retroactive Renewable Energy Certificates and Extend the Deadline for the Interim Tracking System for the Renewables Portfolio Standard

The California Energy Commission will conduct a Business Meeting on:

Tuesday, October 7, 2014
10:00 a.m.
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
1st Floor, Hearing Room A
Sacramento, California
(Wheelchair Accessible)

Audio from this meeting will be broadcast over the Internet.

For details, please go to:

www.energy.ca.gov/webcast

As part of the October 7, 2014 Business Meeting, the Energy Commission will consider adopting staff's recommendation to establish a process that would (1) allow the Executive Director to request the retroactive creation of renewable energy credits in the Western Renewable Energy Generation Information System (WREGIS) and (2) extend the deadline for local publicly owned electric utilities (POUs) to use the Energy Commission's Interim Tracking System to report procurement of generation not tracked in WREGIS to December 31, 2013.

Background

To verify compliance with California's Renewables Portfolio Standard (RPS), statute requires the Energy Commission to design and implement an accounting system "to verify compliance with the renewables portfolio standard by retail sellers and local publicly owned electric utilities, to ensure that electricity generated by an eligible renewable energy resource is counted only once for the purpose of meeting the renewables portfolio standard of this state or any other

state, to certify renewable energy credits produced by eligible renewable energy resources, and to verify retail product claims in this state or any other state.”¹

In January 2004, the Energy Commission began development of WREGIS to fulfill this obligation. During the time WREGIS was being developed, the Energy Commission used its Interim Tracking System (ITS) to track and verify RPS-eligible generation. Once WREGIS was launched and began operating in June 2007, the Energy Commission required RPS-certified facilities, retail sellers, procurement entities and third parties to participate in WREGIS effective January 1, 2008, as part of RPS compliance. However, unforeseen issues faced by many of these companies delayed their registration with WREGIS until the fall of 2008 or later. To accommodate these delays, the *Renewables Portfolio Standard Eligibility Guidebook, Fourth Edition* (January 2011) stated that the Energy Commission would allow limited use of the ITS to report RPS procurement claims through the 2010 compliance year, with the intention of phasing out the ITS by the 2011 compliance year.

Senate Bill X1-2 expanded the requirements of the RPS program to apply to local publicly owned electric utilities as well as retail sellers. The *Renewables Portfolio Standard Eligibility Guidebook, Fifth Edition* (May 2012) stated that, “Beginning with the verification process for 2011, the Energy Commission will accept only retail sellers’ procurement claims for generation that is tracked in WREGIS and reported to the Energy Commission using WREGIS State/Provincial/Voluntary Compliance Reports (compliance reports). POU’s may use the ITS to report generation that occurs before October 1, 2012, unless it is tracked in WREGIS. Beginning on October 1, 2012, all load-serving entities must track and report their procurement using WREGIS.”²

WREGIS tracks renewable energy generation and procurement by issuing a WREGIS Certificate for each megawatt-hour of renewable electricity that is generated and reported to the system. WREGIS Certificates are not generally issued retroactively for renewable energy generation that occurred in the past, prior to when a generator is approved by WREGIS and begins reporting its generation to WREGIS. WREGIS Operating Rule 12.9³ allows for the creation of retroactive WREGIS Certificates under certain circumstances, but until recently, this rule did not provide a viable option for generators participating in California’s RPS to seek retroactive WREGIS certificates, because the rule required the administering state or provincial program to both request the creation of retroactive certificates and pay for the WREGIS staff time and expenses to create the retroactive certificates. This rule did not provide a mechanism by which the Energy Commission could pay WREGIS to create the retroactive certificates and then seek reimbursement from the generator requesting the retroactive certificates.

However, Rule 12.9 was recently revised in April 2014 to make it easier to request the creation of retroactive WREGIS certificates. Rule 12.9 now allows WREGIS to create certificates retroactively “upon request from a state program” that requires tracking generation in WREGIS after a date certain, and allows entities other than the requesting state or province to pay WREGIS directly for the costs of creating the retroactive WREGIS certificates. In addition, Rule 12.9 states that the length of time for which retroactive certificate creation will be allowed pursuant to a state program request “will be dictated by the states” that require it.

¹ Public Utilities Code Section 399.25, subdivision (b), as amended and renumbered by Senate Bill X 1-2 (Statutes of 2011, First Extraordinary Session, Chapter 1).

² *Renewables Portfolio Standard Eligibility Guidebook, Fifth Edition* (May 2012), p. 68.

³ WREGIS Operating Rules are available at <http://www.wecc.biz/WREGIS/Documents/WREGISOperatingRules.pdf>

Purpose

The current *Renewables Portfolio Standard Eligibility Guidebook, Seventh Edition*, does not address the creation of retroactive WREGIS Certificates (“retroactive RECs”)⁴ or allow POU’s to use the ITS to report the procurement of renewable energy generation that occurs after October 1, 2012. As a result, POU’s may be unable to claim RPS procurement from generating facilities or market participants that fail to properly register and/or report generation with WREGIS after October 1, 2012.

The need for retroactive RECs may come about under various circumstances. For example, retroactive RECs may be needed to track generation for a period of time during which WREGIS has no verified static data (such as facility name, capacity, location, fuel type, etc.) for the generating facility. This could occur when a generating facility is registered in WREGIS in the middle of the year but the facility is required to provide RECs for the entire year’s production, or when an entity fails to properly register a generating facility with WREGIS.

To address this issue, staff is proposing a process that would (1) allow the Energy Commission’s Executive Director or his designee to request that WREGIS create retroactive RECs in accordance with the revised WREGIS Operating Rule 12.9 if specified conditions are met, and (2) extend the deadline for POU’s to report generation through the ITS to December 31, 2013, which could also reduce the number of requests for retroactive REC creation through WREGIS.

Energy Commission staff recommend that the criteria and procedures provided in Attachment A be used to request the creation of retroactive RECs and extend the ITS deadline for POU’s.

Staff’s recommendations, if adopted, will be incorporated into the next revision of the *Renewables Portfolio Standard Eligibility Guidebook*.

The *Renewables Portfolio Standard Eligibility Guidebook, Seventh Edition*, is available on the Energy Commission’s website at:

www.energy.ca.gov/portfolio/documents/index.html

A draft resolution to implement staff’s recommendations will be available on this website prior to the Business Meeting.

Public Comment

The Energy Commission encourages public comments on the proposed process to allow creation of retroactive RECs and extend the deadline for POU’s to use the ITS.

Oral comments: The Energy Commission will accept oral comments during the Business Meeting. Comments may be limited to three minutes per speaker. Any comments will become part of the public record in this proceeding.

⁴ Retroactive creation of WREGIS Certificates refers to the creation of WREGIS Certificates for a past generation period for which WREGIS has no verified static data. For purposes of this notice, the terms “retroactive WREGIS Certificates” and “retroactive RECs” are synonymous and mean retroactive creation of WREGIS Certificates as described in the WREGIS Operating Rules.

Written comments: Written comments should be submitted to the Dockets Unit by **4:00 p.m. on October 3, 2014**. Please include docket number 11-RPS-01 and include “RPS Implementation” in the subject line. Written comments will also be accepted before or at the Business Meeting; however, the Energy Commission may not have time to review them before the conclusion of the meeting. For additional information, see Standing Order re: Proceedings and Confidentiality Procedural Requirements for Filing, Service, and Docketing Documents with the Energy Commission, available at:

www.energy.ca.gov/commission/chief_counsel/docket.html.

Additionally, written comments may be posted to the Energy Commission’s website for the proceeding. Please note that your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the viewable public record. This information may become available via Google, Yahoo, and any other search engines.

The Energy Commission encourages comments by e-mail. Please include your name and any organization name. Comments should be in a downloadable, searchable format such as Microsoft® Word (.doc) or Adobe® Acrobat® (.pdf). Please include the docket numbers **11-RPS-01** indicate **RPS Implementation** in the subject line. Send comments to:

docket@energy.ca.gov and rps33@energy.ca.gov

If preferred, you may send a paper copy of your comments to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 11-RPS-01
1516 Ninth Street
Sacramento, CA 95814-5512

Public Adviser and Other Commission Contacts

The Energy Commission’s Public Adviser’s Office provides the public assistance in participating in Energy Commission proceedings. If you want information on how to participate in this forum, please contact Alana Mathews, Public Adviser, at PublicAdviser@energy.ca.gov or (916) 654-4489 (toll free at (800) 822-6228).

If you have a disability and require assistance to participate, please contact Lou Quiroz at lou.quiroz@energy.ca.gov or (916) 654-5146 at least five days in advance.

Media inquiries should be sent to the Media and Public Communications Office at mediaoffice@energy.ca.gov or (916) 654-4989. If you have questions on the subject matter of this agenda item, please contact Kate Zocchetti at kate.zocchetti@energy.ca.gov or (916) 653-4710.

Remote Attendance

You may participate in this meeting through WebEx, the Energy Commission's online meeting service. Presentations will appear on your computer screen, and you may listen to audio via your computer or telephone. Please be aware that the meeting may be recorded.

To join a meeting:

VIA COMPUTER: Go to <https://energy.webex.com/ec> and enter the unique meeting number: **923 463 969**. When prompted, enter your name and the following meeting password: **mtg@10am**.

The "Join Conference" menu will offer you a choice of audio connections:

1. To call into the meeting: Select "I will call in" and follow the on-screen directions.
2. International Attendees: Click on the "Global call-in number" link.
3. To have WebEx call you: Enter your phone number and click "Call Me."
4. To listen over the computer: If you have a broadband connection, and a headset or a computer microphone and speakers, you may use VoIP (Internet audio) by going to the Audio menu, clicking on "Use Computer Headset," then "Call Using Computer."

VIA TELEPHONE ONLY (no visual presentation): Call 1-866-469-3239 (toll-free in the U.S. and Canada). When prompted, enter the unique meeting number: **923 463 969**. International callers may select their number from <https://energy.webex.com/energy/globalcallin.php>

VIA MOBILE ACCESS: Access to WebEx meetings is now available from your mobile device. To download an app, go to www.webex.com/overview/mobile-meetings.html.

If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239.

David Hochschild
Lead Commissioner

Date: September 26, 2014

Electronic Mail Lists: renewables and 33by2020 listservs

ATTACHMENT A

Notice of Proposed Process to Allow Creation of Retroactive Renewable Energy Certificates and Extend the Deadline for the Interim Tracking System for the Renewables Portfolio Standard

Request for Retroactive REC Creation:

1. An authorized representative of an electrical generating facility may request the Energy Commission's Executive Director to authorize the creation of retroactive RECs consistent with WREGIS Operating Rule 12.9. At the time of the request the electrical generating facility shall be RPS certified as an eligible renewable energy resource by the Energy Commission and registered and approved by WREGIS as a Generating Unit consistent with WREGIS Operating Rules.
2. Retroactive RECs shall not be permitted for any generation that precedes the date of the request by more than 24 months OR the RPS eligibility date assigned to the generating facility by the Energy Commission, whichever is earlier.
3. A request for creation of retroactive RECs shall be made only once for a generating facility. Multiple requests for the same generating facility are not permitted.
4. A request for creation of retroactive RECs shall be made by an authorized representative of the generating facility as reflected in facility's certificate of RPS certification issued by the Energy Commission.
5. A request for creation of retroactive RECs shall be submitted in writing to the Executive Director at the following address:

California Energy Commission
Office of the Executive Director
1516 9th Street, MS-39
Sacramento, CA 95814-5512

6. A request for creation of retroactive RECs shall include the following information:
 - a. The name and address of the authorized representative submitting the request and the name, location, and other identifying information of the generation facility for which the creation of retroactive RECs is being requested.
 - b. The generating facility's RPS identification number issued by the Energy Commission.
 - c. The generating facility's WREGIS Generating Unit identification number.
 - d. The vintage month(s) and year(s) of the generating facility's generation for which the creation of retroactive RECs is being requested.
 - e. An explanation of the reason(s) why retroactive RECs are needed.
 - f. Documentation, if available, to support the information provided in items (a) through (e).
 - g. An attestation by the authorized representative of the generating facility declaring the following:
 - 1) That the renewable energy credits, as defined in Public Utilities Code section 399.12 and the *Renewables Portfolio Standard Eligibility Guidebook*, associated with the generation for the vintage month and year specified in

Item 6.d have not been sold, traded, or otherwise transferred to any other individual or entity or used to satisfy any state regulatory or voluntary program.

- 2) That the representative will submit an audit report as specified in Item 8 within 90 days of submitting the request, if the request is approved.
 - 3) That the representative will pay for all costs and expenses incurred by WREGIS staff to create the retroactive RECs, if the request is approved.
 - 4) That the information contained in the request and any supporting documentation is true, correct, and complete to the best of the representative's knowledge.
7. If a request for creation of retroactive REC is incomplete, the Executive Director may either request additional information or return the request unprocessed.
 8. The authorized representative of the generating facility shall submit an audit report to the Executive Director within 90 days of the date of the request, if the request is approved by the Executive Director. The audit report shall meet the following criteria.
 - a. The audit report shall be prepared by an independent accountant or certified internal auditor in accordance with standards of the American Institute of Certified Public Accountants. The audit report shall summarize the auditor's findings.
 - b. The auditor shall verify that the renewable energy credits, as defined in Public Utilities Code section 399.12 and the *Renewables Portfolio Standard Eligibility Guidebook*, associated with the generation for the vintage month(s) and year(s) specified in Item 6.d have not been sold, traded, or otherwise transferred to any other individual or entity or used to satisfy any state regulatory or voluntary program. This verification shall be satisfied as follows:
 - 1) The auditor shall determine whether the renewable energy credits in question would have been eligible to satisfy any state regulatory or voluntary program. If so, the auditor must obtain the following:
 - 2) A letter from the administrator of each state regulatory or voluntary program documenting that the renewable energy credits in question were not used to satisfy that program; or
 - a) A letter from the administrator of each state regulatory or voluntary program documenting that the renewable energy credits in question were tracked for purposes of that program, but have been retired without having been claimed to satisfy the requirements of that program.
 - b) The auditor shall confirm that the renewable energy credits in question were not sold, traded, or otherwise transferred to any other individual or entity. The auditor shall satisfy this criterion by reviewing contracts, invoices and other accounting documents prepared for, by or on behalf of the generating facility, and confirming that the renewable energy credits in question were not sold, traded, or otherwise transferred to any other individual or entity, or used to satisfy any state regulatory or voluntary program.
 - 3) If the renewable energy credits in question have already been sold, traded, or otherwise transferred to other individuals or entities, the auditor shall identify the name and address of these other individuals and entities and

the corresponding amounts, vintages, and transaction dates of the transferred renewable energy credits.

9. If the request for creation of retroactive RECs is approved, the Executive Director shall do the following:
 - a. Notify the authorized representative of the generating facility that the request for creation of retroactive RECs has been approved by the Energy Commission, subject to any specified conditions, and will be forwarded to WREGIS staff for its consideration and approval.
 - b. Request WREGIS staff to create retroactive RECs consistent with the Executive Director's approval and in accordance with WREGIS Operating Rule 12.9.
 - c. Request WREGIS staff to invoice the authorized representative of the generation facility for all costs and expenses incurred by WREGIS staff to create the retroactive RECs.
10. Retroactive RECs, if created by WREGIS, shall not be used to satisfy an RPS procurement requirement if the authorized representative of the generating facility fails to submit an audit report as specified in Item 8.

Extension of Deadline for POU's to Use the ITS

1. The deadline for POU's to use the Interim Tracking System (ITS) to report procurement of generation for the RPS is extended from October 1, 2012 to December 31, 2013, subject to the following requirements:
 - a. A POU shall report procurement data not tracked in WREGIS by submitting a completed CEC-RPS-Track form to the Energy Commission no later than 30 calendar days after the Energy Commission adopts the resolution extending the ITS deadline.
 - b. To report e-Tag data not available in WREGIS, a POU reporting through the ITS shall submit a completed CA-RPS e-Tag Summary Report with the CEC-RPS-Track form.
 - c. When the ITS is used for reporting procurement, the generating facility (or POU, if the generating facility is owned by the POU) shall report monthly generation data to the Energy Commission on the CEC-RPS-GEN form for the entire previous calendar year for which any WREGIS data are unavailable.
 - d. WREGIS shall be used to track generation for the entire month for which reporting is available in WREGIS; reporting is available during the earliest active certificate creation cycle at the time the generating facility is registered and approved in WREGIS, as described in WREGIS Operating Rules Section 5. WREGIS shall be used to track all months of generation thereafter.
 - e. The ITS shall not be used to report generation or procurement data from aggregated generating facilities. Generation and procurement data for aggregated generating facilities shall be reported using WREGIS.
 - f. A generating facility (or POU) that reports generation using the ITS must comply with all other requirements set forth in the *Renewables Portfolio Standard Eligibility Guidebook*.
 - g. All POU generation and procurement data must be tracked and reported using WREGIS beginning January 1, 2014.